

CITY OF RIVERSIDE  
BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities  
Date of Meeting: July 1, 2005  
Time of Meeting: 8:15 a.m.  
Place of Meeting: Utilities Plaza Conference Room  
3460 Orange Street (at Fifth and Orange Streets)  
Riverside, California

**PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG**

**Roll Call**

Present: Jim Anderson (Vice Chair)	Joe Tavaglione
David Barnhart	Bob Stockton
Conrad Newberry, Jr., P.E.	Ken Sutter
Lalit Acharya	

Absent: Peter Hubbard (Chair) (absence due to other)

**CITIZENS PARTICIPATION**

No comments were made.

**COMMITTEE REPORTS**

**WATER COMMITTEE REPORT**

The Board of Public Utilities accepted and filed the June 29, 2005, Water Committee minutes.

**FINANCE/MARKETING COMMITTEE REPORT**

The Finance/Marketing Committee meeting scheduled for June 24, 2005 was cancelled.

**CONSENT CALENDAR**

A motion was made to approve Items 2, 3, and 5 on the Consent Calendar with the exception of Item 1, **MINUTES OF JUNE 17, 2005**; Item 4, **ARLANZA WATER MAIN REPLACEMENT PROJECT – AWARD OF BID NO. 6282**; Item 6, **REJECTION OF ALL BIDS RECEIVED FOR BID NO. 6292, "INSTALLATION OF A PHOTOVOLTAIC PANEL ARRAY ON THE 7<sup>TH</sup> FLOOR PATIO OF THE RIVERSIDE CITY HALL FACILITY"**; and Item 7, **AWARD OF PROFESSIONAL SERVICES AGREEMENT TO KAJIMA ASSOCIATES, INC., FOR THE DESIGN AND CONSTRUCTION MANAGEMENT OF TENANT IMPROVEMENTS FOR ORANGE SQUARE PARKING STRUCTURE #6.**

Motion – Acharya. Second – Stockton.

Ayes: Anderson, Acharya, Barnhart, Stockton, Sutter, Tavaglione, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Hubbard. (absence due to other)

## **MINUTES**

- (1) MOVED TO DISCUSSION CALENDAR.

## **ELECTRIC ITEMS**

- (2) AWARD OF THREE AND SINGLE-PHASE TRANSFORMER CONTRACTS – BID NO. DD1442

The Board of Public Utilities approved contract awards for three-phase transformers to Cooper and single-phase transformers to Central Moloney Inc., for the 2005-2007 fiscal years.

- (3) ELECTRIC SUBSTATION TEST EQUIPMENT – SOLE-SOURCE PURCHASE FOR DOBLE F6150 TEST SET – REQUISITION NO. SY03781

The Board of Public Utilities determined that it is in the best interests of the City of Riverside to waive formal competitive bidding requirements for the reasons outlined in the Board Memorandum and approved the sole source purchase of one Doble F6150 Relay Test Set.

## **WATER ITEMS**

- (4) MOVED TO DISCUSSION CALENDAR.

- (5) PROPERTY EXCHANGE AGREEMENT – MDJ, INC. (HOME LUMBER COMPANY) SAN BERNARDINO – LANDSCAPE MAINTENANCE DISTRICT FORMATION

The Board of Public Utilities:

1. Approved and recommended that the City Council approve the formation of a Landscape Maintenance District along Orange Show Road in conjunction with Parcel Map 15890 in the City of San Bernardino; and
2. Approved and recommended that the City Council authorize the City Manager, or his designee, to execute the necessary documents.

## OTHER ITEMS

- (6) MOVED TO DISCUSSION CALENDAR.

## DISCUSSION CALENDAR

- (1) MINUTES

Board Member Newberry, Jr., P.E., requested this item be placed on the discussion calendar for more clarification regarding the Director's Report Item B. Mr. Newberry, Jr., thought the discussion was on the 1<sup>st</sup> floor of the new parking lot but Director Wright informed him that it was on the purchase of the Utilities Plaza.

The regular meeting minutes from the Board of Public Utilities meeting held on June 17, 2005 was approved as submitted.

Motion – Newberry, Jr., P.E. Second – Tavaglione.

Ayes: Anderson, Barnhart, Stockton, Sutter, Tavaglione, and Newberry, Jr.

Noes: None

Abstain: Acharya and Stockton.

Absent: Hubbard. (absence due to other)

- (4) ARLANZA WATER MAIN REPLACEMENT PROJECT  
AWARD OF BID NO. 6282

Board Member Stockton requested this item be placed on the discussion calendar because he had concerns regarding the 25 percent below the responsive bidder and asked if RPU had worked with this company before. Assistant Director/Water Wirtzfeld reassured him that RPU has worked with this company before and are very satisfied with their work.

The Board of Public Utilities:

1. Approved the estimated capital expenditure of \$1,850,000 for Work Order 704202, which includes all design, construction, contract administration, inspection, and change order contingencies for the Arlanza Water Main Replacement Project;
2. Awarded a contract for Arlanza Water Main Replacement, Bid No. 6282, to the lowest responsive bidder, T.A. Rivard, Inc., Riverside, California, in the amount of \$1,202,488; and
3. Authorized the City Manager, or his designee, to execute the necessary contract documents.

Motion – Stockton. Second – Tavaglione.

Ayes: Anderson, Acharya, Barnhart, Stockton, Sutter, Tavaglione, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Hubbard. (absence due to other)

(6) REJECTION OF ALL BIDS RECEIVED FOR BID NO. 6292, "INSTALLATION OF A PHOTOVOLTAIC PANEL ARRAY ON THE 7<sup>TH</sup> FLOOR PATIO OF THE RIVERSIDE CITY HALL FACILITY"

Board Member Newberry, Jr., P.E., requested this item be placed on the discussion calendar because he had concerns that regarding the timeline on this project by re-bidding. Director Wright said it would be approximately a 4-6 week delay only. Deputy Director Badgett added that staff determined that it would be in the best interest of the City to reject all bids, as there was only one bid out of 20 that responded, and re-bid the project with revised specifications and change the experience requirement from 10 years to 5 years. Another problem with the project is that it is on the 7<sup>th</sup> floor and it will be difficult getting materials and labor up and down the elevators.

The Board of Public Utilities rejected all bids received for Bid No. 6292, "Installation of a Photovoltaic Panel Array on the 7<sup>th</sup> Floor Patio of the City Hall Facility" and release of all bid guarantees, and authorized staff to re-bid this project with revised bid specifications.

Motion – Newberry, Jr., P.E. Second – Tavaglione.

Ayes: Anderson, Acharya, Barnhart, Stockton, Sutter, Tavaglione, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Hubbard. (absence due to other)

(7) AWARD OF PROFESSIONAL SERVICES AGREEMENT TO KAJIMA ASSOCIATES, INC., FOR THE DESIGN AND CONSTRUCTION MANAGEMENT OF TENANT IMPROVEMENTS FOR ORANGE SQUARE PARKING STRUCTURE #6

Board Members Newberry, Jr., P.E., requested that this item be placed on the discussion calendar because he has concerns that this is too much money to spend with the uncertainty of how this property is going to be acquired – to lease or buy. Board Member Bob Stockton also had concerns that a qualified space

plan was not considered on this project. Director Wright suggested that this issue should be taken to the Property Committee for more discussion and input, which would only put a 14-day postponement on the project.

No motion was made at this time as the Board of Public Utilities directed staff to bring this issue to the Property Committee and then bring back to the Board of Public Utilities.

(8) RIVERSIDE ENERGY RESOURCE CENTER – ADDITIONAL APPROPRIATION

Deputy Director Steve Badgett reported that due to unforeseen financial impacts from delays caused by the California Unions for Reliable Energy (CURE), requirements from the California Energy Commission (CEC), material cost escalation, and other unforeseen costs, the budget for the Riverside Energy Resource Center (RERC) needs to be increased.

After discussion, the Board of Public Utilities approved and recommended that the City Council approve an additional appropriation of \$7,000,000, taken from the Electric Fund Balance to the Riverside Energy Resource Center (RERC) Budget, for a total of \$82,000,000.

Motion – Barnhart. Second – Tavaglione.

Ayes: Anderson, Acharya, Barnhart, Stockton, Sutter, and Tavaglione, Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Hubbard. (absence due to other)

(9) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY MEMBER OF THE BOARD OF PUBLIC UTILITIES

DIRECTOR'S REPORT

Assistant Director/Water Dieter Wirtzfeld reported to the Board that a 42" pipeline shutdown was scheduled because of a leak. The damage was most likely caused by the recent earthquake activity. The shutdown will be for 1-2 weeks and RPU will have to purchase metropolitan water, which will be costly.

- (A) State and Federal Legislative Update
- (B) Monthly Power Supply Report — May 2005
- (C) Rolling Calendar Outlining Future Utility Projects as of June 24, 2005
- (D) City Council Agendas – June 21 and June 28



## **SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS**

Vice Chair Jim Anderson reported that he had attended the APPA Conference in Anaheim on June 21-21, 2005 and distributed a summary report to the Board members. (this summary on file in the Public Utilities Department) Board Member Conrad Newberry, Jr., P.E. and Director Dave Wright also attended this conference as speakers. Board Member Newberry, Jr., spoke on "Managing Risk and Knowing What's Right for Your Utility and Director Wright spoke on "Succession Planning: A Key to Filling Vacancies".

**The Board of Public Utilities recessed at 9:30 a.m. and reconvened at 9:45 a.m. At this time Board Member Joe Tavaglione excused himself from the meeting because of prior business.**

## **WORKSHOP**

Present:	Jim Anderson (Vice Chair)	Conrad Newberry, Jr., P.E.
	David Barnhart	Bob Stockton
	Lalit Acharya	Ken Sutter
Staff:	Dave Wright	Steve Badgett
	Dieter Wirtzfeld	Eileen Teichert
	Gary Nolff	MJ Abraham
	Reiko Kerr	Kevin Milligan
	Jerry Rogers	Cathy Ference
	Susan Wilson	Dave Redding
	Candice Shih	Max Mendoza
	Jerry Buydos	Owen Lu
Absent:	Hubbard. (absence due to other)	
	Tavaglione (left early)	
	Newberry, Jr., P.E. (left early)	

### **(10) LONG TERM STRATEGIC PLANNING WORKSHOP**

The Board of Public Utilities held a workshop to discuss long-term strategic planning. Director Dave Wright presented all the additions that the Board members had added to the long-term strategic plan and gathered any other additions/suggestions to be adopted at the next Board meeting on July 15, 2005 and update the plan in two years.

### **(11) PROPOSED ELECTRIC OVERHEAD TO UNDERGROUND FUNDING**

Deputy Director Steve Badgett discussed the proposed electric overhead to underground funding and public input. The Electric Utility does not have adequate funding to meet additional requests from the general public and members of the City Council and Board of Public Utilities to convert overhead electric utility lines to underground. Aesthetic undergrounding is presently funded through rates at a level of \$1 million per year. It was initially recommended that a 2 percent surcharge be added to the electric bill to pay for increased undergrounding efforts

at a level of approximately \$4 million per year. The Board agreed to present at the Public Hearing; to table this recommendation for 180 days to be able to get customer input; and not have it as a surcharge.

After discussion, the Board of Public Utilities directed staff to present these items at the Public Hearing to be held on July 13, 2005.

(12) PROPOSED CHANGES TO CROSS-CONNECTIONS AND POLLUTION OF SUPPLY AND RECYCLED WATER RULES

Water Systems Operations Manager Owen Lu presented the proposed changes to cross-connections and pollution of supply and recycled water rules. California Department of Health Services (DHS) mandated the City to expand Rule 18, Recycled Water Rules, to include non-potable water use. To increase the level and efficiency of the protection against contamination of the public water system, staff proposes to designate "Reduced Pressure Principle Assembly (RP)" devices as the primary meter service protection device under Rule 13, Cross-Connections and Pollution of Supply. These changes would increase the level of protection for the City owned water system from cross connection and potential contamination from these sources.

After discussion, the Board of Public Utilities directed staff to present these items at the Public Hearing to be held on July 13, 2005.

(13) PROPOSED CHANGES TO WATER AND ELECTRIC RULES, RATES, AND FEES

Principal Water Engineer Kevin Milligan presented the proposed changes to the Water Rules and Fees. The Water Rules of the City of Riverside Public Utilities Department provide for certain fees and charges to recover direct and indirect costs of providing infrastructure for new development. The City of Riverside Public Utilities Department, Water Division has faced increased costs for labor, materials, equipment, and fuel since publication and adoption of the Water Rules in May 2003. The proposed fees properly recovery costs for labor and material related to new development work. New fees, to recover costs associated with the backflow protection program, and with purchased water charges are proposed.

Deputy Director Steve Badgett presented the proposed changes to electric rules, rates, and fees. The Electric Rules of the City of Riverside Public Utilities Department provide for certain fees to recover the direct costs of providing temporary electric service. The City of Riverside Public Utilities Department, Energy Delivery Division has faced increased costs for labor, materials, equipment, and fuel since publication and adoption of the Electric Rules on September 1, 2002. Prudent fiscal policy dictates full cost recovery for these temporary electric services. Several modifications to the electric rules are proposed to support the goals and objectives of the City. Additionally, language needs to be added to clarify the intent of Electric Rate Schedule Time Of Use (TOU).

After discussion, the Board of Public Utilities directed staff to present these items at the Public Hearing to be held on July 13, 2005.

**UPCOMING MEETING**

Vice Chair Jim Anderson adjourned the meeting at 11:55 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, July 15, 2005**, at 8:15 a.m. in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: 

David H. Wright, Secretary  
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: July 15, 2005